

## House Republican Press Release

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Press Office: 860-240-8700

### **Rep. Frey: Democrats Block Electric Rate Cut**



#### *Partisan Maneuver Stops Proposal to Lower Costs to Power Consumers*

HARTFORD – With a 22% increase on ratepayers having been implemented this year, and consumers continuing to be impacted by rising energy costs, legislative Democrats blocked a proposal by House

Republicans on Tuesday, April 11, that would reduce the public utilities gross earning tax on electric and power companies. The proposal, which would reduce the residential rate from 6.8% to 4.0%, and the commercial rate from 8.5% to 5.0%, was rejected on a nearly party-line vote.

The rate cut was offered as part of an amendment to another bill concerning electric distribution companies. State Rep. John H. Frey, R-Ridgefield, noted that rather than go on the record opposing the amendment, the Democrat majority first attempted to use a parliamentary procedure to shelve the entire bill. The motion was challenged by House Republicans and in a 90-52 roll call vote, all but two Democrat state representatives voted to shelve the legislation.

In December 2005, the Department of Public Utility Control (DPUC) granted Connecticut Light and Power's (CL&P) request for the rate increase. CL&P customers began to see the price increase in bills the following month. The Republican proposal would have reduced the gross earnings tax by 41%, saving ratepayers nearly \$60 million, said Rep. Frey. "For the average Ridgefield household, this would have meant an \$8 - \$14 a month savings," he added.

"The increase in electric bills is hitting households hard throughout the state -- it is a concern I've heard over and over from Ridgefielders, especially since the increase in electric rates in January," said Rep. Frey, who serves as an Assistant Minority Leader. "The current projection for the state surplus is \$600 million, so clearly we can afford to provide a tax cut and this one would be extremely timely and helpful to people."

Rep. Frey added that the legislation would have also benefited the state economy.

"We continually hear from the business community that Connecticut is one of the most expensive states to operate and the rate at which companies are moving out hammers that point home," said Rep. Frey. "Cutting taxes here would have been an effective start

toward actually helping businesses and I am hopeful that it is one of numerous economic incentives included in any budget proposal is brought before the full Legislature.”

Rep. Frey said he hoped that before the legislative session adjourns on May 3rd, that the General Assembly addresses both the high cost of energy and Connecticut's tax rates.